

Data Sheet

USAID Mission:	Mexico
Program Title:	Economic Freedom
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	523-022
Status:	Continuing
Planned FY 2006 Obligation:	\$6,577,000 DA
Prior Year Unobligated:	\$30,000 DA
Proposed FY 2007 Obligation:	\$5,393,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	

Summary: USAID's environment and economic growth program works to improve sustainable use and conservation of Mexico's diverse natural resources; support use of cleaner production and renewable energy technologies; better the livelihood of poor Mexicans through increasing their participation in community decision-making about resource use and economic development; and increase access to financial services.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Sustainable Management Of Natural Resources and Biodiversity (\$3,777,000 DA). USAID is supporting community decision making and more effective institutional coordination in addressing the needs of high-biodiversity areas by supporting management plans within communities, institutions and government agencies. USAID collaborates with the Government of Mexico (GOM) on activities in forestry, protected area management and environmental protection, increasing linkages between USAID's sites and Mexico's national environmental priorities. USAID provides technical assistance to communities for environmentally sound economic growth in the following areas: strategic management of timber; production of wood products; fire management planning and capacity development; and income producing opportunities including coffee, cacao, and sustainable tourism. Better overall coordination in these key areas supports recovery efforts from the hurricanes that severely impacted Mexico in 2005, and helps reduce the risk of future disasters. Principal contractors and grantees: Conservation International, The Nature Conservancy, World Wildlife Fund, Chemonics International, Rainforest Alliance, US Forest Service, and Mexican Nature Conservation Fund.

Reduce, Prevent and Mitigate Pollution (\$800,000 DA). USAID supports activities linking energy savings and water conservation in water-stressed areas along the U.S.-Mexico border, as well as activities in renewable energy and planning. Through its Methane to Markets Program, USAID facilitates the development of landfill gas projects, reduces emissions from hydrocarbon industries, and captures emissions from feedlot waste. USAID reduces pollution in Mexico City and Quintana Roo; promotes pollution control in key industries such as petroleum; and advocates for the use of cleaner production technologies in environmentally-important regions. Principal contractor: PA Consulting and the Alliance to Save Energy.

Strengthen The Financial Services Sector and Increase Access to Capital (\$2,000,000 DA). USAID provides technical assistance to 12 microfinance institutions (MFIs), the Caja Popular Mexicano (CPM) and the Alianza Bancomún de la Frontera; USAID also provides small grants to MFIs developing new products and services, including those related to remittances and provides technical assistance to strengthen the Mexican bank regulatory authority, La Comisión Nacional Bancaria de Valores (CNBV); USAID is building consensus on policy and institutional reforms; and supporting micro business integration into value chains in emerging markets, linked where possible to sustainable productive activities already underway. Principal contractor: Development

Alternatives, Inc., World Council of Credit Unions, and Catholic Relief Services.

FY 2007 Program:

Improve Sustainable Management Of Natural Resources and Biodiversity (\$3,543,000 DA): USAID will continue to support the implementation of improved natural resource management plans in targeted regions, and advance income-producing ventures in forest products, coffee, cacao and ecotourism, and to improve Mexican planning and technical capacity to reduce the vulnerability to fires and natural disasters.

Reduce, Prevent and Mitigate Pollution (\$850,000 DA): USAID will continue energy and water conservation activities in key areas along the northern border and in Quintana Roo in order to demonstrate linkages between water and energy efficiency and increased savings and decreased pollution. The Regional Clean Production Centers' capacity building initiatives will help multiply the use of these practices in sectors where USAID is not involved. USAID will also continue to support national programs that promote renewable energy.

Strengthen The Financial Services Sector and Increase Access to Capital (\$1,000,000 DA): USAID will provide target MFIs with technical assistance in expanding client outreach, developing new products, and improving financial health. USAID will provide technical assistance to improve MFI regulatory practices. The Mission will continue to develop the local support services industry and to inspire innovation in rural finance and remittance policies.

Performance and Results: With USAID technical assistance, government authorities and community decision-makers in five targeted watershed areas have developed and advanced environmental planning processes. The new Governors of Oaxaca and Chihuahua officially cited USAID funded assistance in conservation and sustainable development as a major contribution to their overall state action plans. USAID supported the implementation of more efficient timber harvesting and processing practices in certified community forests in Durango and Oaxaca, resulting in income gains of up to 66%. Under the USAID rural prosperity program and Global Development Alliances, coffee producers are increasing incomes through improved cultivation practices and improved links to specialty markets. Overall, USAID worked in over 450,000 hectares to improve the management of critically important biodiversity areas and increase the living standards of the local communities.

USAID cooperated with Mexico's Secretariat of Energy and four state governments as they committed to implement off-grid renewable energy programs; assisted in the establishment of a network of over 1,500 municipal government water users to share conservation practices; assisted in the drafting of regulations by the Mexico City Government requiring the use of solar thermal heating by all new commercial establishments; supported energy use audits which led to significant cuts in energy and water use in several states; and held an event to launch the Methane to Markets agreement with the Secretariat of Environment and Natural Resources, which will increase methane recovery and use for innovative power applications.

USAID's microfinance activities focused primarily on strengthening the capacities of MFIs in internal controls, business planning, information systems, adjusting operating practices and developing new products. With USAID funded assistance through the World Council of Credit Unions (WOCCU), the CPM doubled the number of members to over one million, improved its overall financial status, and entered into an agreement with credit unions in the United States to channel remittances. USAID carried out a survey to determine the areas in which MFIs require local consulting services and an agreement was reached with the CNBV regarding areas requiring capacity building in order to improve the supervisory environment for MFIs.

US Financing in Thousands of Dollars

Mexico

523-022 Economic Freedom	DA
Through September 30, 2004	
Obligations	14,795
Expenditures	1,642
Unliquidated	13,153
Fiscal Year 2005	
Obligations	8,842
Expenditures	8,768
Through September 30, 2005	
Obligations	23,637
Expenditures	10,410
Unliquidated	13,227
Prior Year Unobligated Funds	
Obligations	30
Planned Fiscal Year 2006 NOA	
Obligations	6,577
Total Planned Fiscal Year 2006	
Obligations	6,607
Proposed Fiscal Year 2007 NOA	
Obligations	5,393
Future Obligations	7,973
Est. Total Cost	43,610